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INFO RUEHZH/HAITI COLLECTIVE  
RUEHBR/AMEMBASSY BRASILIA 2168  
RUEHMN/AMEMBASSY MONTEVIDEO 0282  
RUEHSA/AMEMBASSY PRETORIA 1920  
RUEHSG/AMEMBASSY SANTIAGO 2449  
RUEHMT/AMCONSUL MONTREAL 0360  
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RUEATRS/DEPT OF TREASURY WASHDC  
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SUBJECT: CODEL DURBIN MEETING WITH PRESIDENT, PRIME MINISTER

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This message is sensitive but unclassified. Please handle accordingly.

Summary  
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¶1. (SBU) The Haitian President and Prime Minister told Codel Durbin December 17-18 that Haiti's main priorities after the August-September hurricanes are economic growth and job creation, infrastructure-building, education, environmental restoration, and strengthening Haiti's political institutions. The President stressed that political stability requires reforming the constitution. He insisted that Haiti needed the pre-fab classrooms that Broward County was ready to donate, while Congressman Meek and the Prime Minister said that building schools in Haiti was the economically feasible alternative. The Prime Minister stressed the need for policies to encourage Haiti's middle class to stay in the country, to bring Haiti's sprawling network of private schools under state supervision, and to induce citizens to pay their taxes. End summary.

Preval: How Donors Can Help  
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¶2. (SBU) Senators Dick Durbin and Jeff Bingaman, Congressman Kendrick Meek and Illinois State Senator Kwame Raoul visited Haiti December 16-19 and met with President Preval December 17. They were accompanied by the Ambassador, PolCouns (notetaker), staffers Chris Homan and Michael Daly (Durbin), Jeffrey Phan (Bingaman), and Christian Hassan (Meek). Accompanying President Preval were his political adviser Bob Manuel and economic adviser Gabriel Verret. Senator Durbin introduced Senator Bingaman and Congressman Meek as the two U.S. legislators who have worked the hardest on behalf of Haiti. They wanted to learn Haiti's top priorities following the August-September hurricanes. Senator Bingaman concurred that post-hurricane priorities had to be identified in time for the upcoming conference of donors. The President immediately asked for help transporting to Haiti the prefabricated classrooms which Broward County had donated. He said that behind the initial tranche of 100 such classrooms was an offer to provide 3,000. Congressman Meek

warned that transport costs were prohibitive. The alternative was to build schools in Haiti. Senator Durbin noted that this money could be better spent on teachers and school construction.

13. (SBU) The President declared that the donors conference should discuss Haiti's main development priorities over the next three years. Those priorities must be infrastructure (including roads and telecommunications), agriculture, and elections. Preval said he would dispatch the Prime Minister and Minister of Economy and Finance to the main donor capitals to prepare the agenda for this conference. The Ambassador commented that the donors conference would be held tentatively in Canada in February. Senator Durbin commented on the demanding nature of these priorities. Haiti faced overwhelming economic and environmental challenges. Haiti should pursue economic growth in a way that preserved the environment, reforested the countryside, and found an alternative to charcoal as a household fuel. The President replied that Haiti's deforestation was the result of 200 years of history. Reforestation was an economic problem which could be solved only if farmers could live off crops, such as fruit trees, which they planted to cover denuded land.

#### Constitutional Reform

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14. (SBU) The President said that political stability was the fundamental prerequisite for Haiti's development. Only Haitians not foreigners could achieve it. The U.S. could do its part by helping Haiti staunch the drug trade. Bob Manuel stated that drug money had pulled Haiti back considerably. The Ambassador pointed to the work of DEA in Haiti and to USG

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work to build Haitian police capacity. The President replied that Haiti lacked the capability to fight the traffickers, who had infiltrated parts of the Haitian National Police. Senator Durbin pointed out that drugs were a hemispheric challenge which had caused thousands of deaths in Mexico. Verret interjected that Haiti's constitutionally-mandated cycle of frequent elections was a source of instability. The President insisted there were serious problems with the current constitution, but that Haiti was still a long way from constitutional reform. Many suspected the President wanted to reform the constitution only to allow his indefinite re-election. He said he was prepared to pledge that he would not serve another term.

#### Criminal Justice System

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15. (SBU) Noting that he had visited the National Penitentiary the previous day, Senator Bingaman asked how the U.S. could help ameliorate deplorable conditions there, where prisoners languished for years without their cases being processed. The President conceded the weakness of Haiti's judicial system. Bob Manuel explained that Haiti's criminal and civil codes were 25 years old and needed revamping. They provided excessive protections for criminals. Haiti had to train judges and better protect them. Judges adjudicating narcotics cases sometimes were threatened. Prosecutors and investigating magistrates often clashed. Suspects were held for too long. Judicial reform was a complex of problems that had to contend with drug trafficking, corruption, and the overall weakness of the Haitian state. The lack of property security was a disincentive to investment. In any case, the U.S. Department of the Treasury was helping train Haitian officials in coping with financial crime, money laundering, and tax evasion. Increasing state revenues was indispensable to strengthening the Haitian state.

#### The Economy, Education

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¶6. (SBU) Turning to the economy, Economic Adviser Gabriel Verret declared that the U.S. Congress's recent renewal of Haiti Hemispheric Opportunity Through Partnership Encouragement Act (HOPE 2) was a qualified success whose full potential had yet to be realized. Haiti had to create industry outside of the crowded capital, and was seeking to acquire land to open an industrial park in the north. Ongoing road construction was making this possible. The road along the north coast from Cap Haitien to Dajabon in the Dominican Republic opened up new economic and tourism possibilities. However, Haiti had to amend its restrictive labor laws. Provisions mandating overtime pay for second and third shifts deterred investment.

¶7. (SBU) Senator Durbin asked how Haiti could improve its educational system. The U.S. NGO working in Haiti ''Hands Together'' had told the delegation about the difficulty of finding and keeping good teachers. The President agreed that the dearth of teachers was the crux of the problem.

TPS

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¶8. (SBU) Congressman Meek answered the President's question about his request for Temporary Protective Status (TPS) for Haitians in the U.S. by saying he would pursue it with the incoming U.S. administration. Senator Durbin remarked that it was twice as hard to reform U.S. immigration law in bad times as in good. However, immigration had not been an issue in the U.S. presidential campaign. He hoped the U.S. could pass ''the right law at the right time.'' In any case, the credit crisis put the incoming U.S. administration in a difficult position to deal with this issue.

Prime Minister: Post-Hurricane Priorities

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¶9. (SBU) The Ambassador hosted a breakfast for Senators Durbin and Bingaman and Congressman Meek with Prime Minister Michele Pierre-Louis December 18. PM aide Marys Kadar; staffers Homan, Daley, Phan and Hassan; and PolCouns (notetaker) participated. The Prime Minister recounted that over the last nine months, Haiti had lurched from crisis to crisis: energy and food inflation, the April food riots, the lack of a government for five months, and then the hurricane devastation of August-September. Her government had reshuffled the priorities contained in the previous government's development plan, the National Strategy Document for Growth and Poverty Reduction. The new government aimed to strengthen the economy and stimulate domestic production and job creation. It would concentrate on infrastructure and environmental restoration. The government was studying electricity as a separate issue, since publicly-owned power plants were selling electricity at a loss that the state had to cover. Three Venezuelan power plants were a benefit of Haiti's participation in the Petrocaraiibe oil arrangement.

¶10. (SBU) The second priority was education and health. The government wanted to bring private schools under state supervision, and reverse the decline in national health indicators. The third priority was reforming the judiciary, police and the penal system. Overall, Haiti suffered from a ''problem of leadership.'' Weak leadership had caused the failure of efforts to build democratic conditions after the fall of the Duvaliers.

¶11. (SBU) Responding to Senator Durbin's question about education, the PM explained that 89 percent of all Haitian schoolchildren attended non-public schools, which all charged tuition and which were run more as businesses than as educational institutions. The Ministry of Education had no control over these private schools. Only 10 percent of them were licensed. Teacher pay was abysmal, about 1500 Haitian gourdes (USD 40) per month in rural areas. The PM said it

was preferable to build new schools than import prefab classrooms from the United States, for which transport costs were prohibitive. Of 400 schools damaged in recent storms, the GOH was rebuilding 90 and renovating 100. Senator Durbin stated that money for mobile classrooms that the President hoped to obtain from Broward County would be better spent on teachers and building schools.

¶12. (SBU) The PM stressed her government's commitment to the environment. She had created a commission of six government ministers to channel donor country environmental assistance. The IDB was financing assistance to coordinate foreign financed environmental projects. The government intended to set legal boundaries to Haiti's three remaining forests.

#### Helping the Middle Class

¶13. (SBU) The PM expressed a personal interest in expanding housing construction and home ownership in Haiti. She wanted to change the Haitian political tradition of taking into account only the elite and the poor masses, and beginning addressing the aspirations of the middle class. As it was, Haitians who acquired higher education had few prospects in Haiti. A middle class salary in Haiti could not finance the purchase of a home or car. Middle class Haitians needed to have confidence in their country. Currently, such Haitians emigrated in large numbers, primarily to the U.S. and Canada.

#### Broadening the Tax Base

¶14. (SBU) When Senator Durbin inquired about increasing tax collection, the PM conceded the failure of most wealthy citizens to pay direct taxes. The poor paid indirect taxes through the goods they purchased. Haiti was building a computer database with a file on every taxpayer that would monitor income from all sources. She explained that making the rich pay in Haiti could be dangerous, but the government

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had to make an effort.

#### Prisons

¶15. (SBU) Addressing Senator Bingaman's question about prisons, the Prime Minister recalled that the U.S. had built Haiti's main prison, the National Penitentiary, in the 1920s to hold 200 inmates. Today it held nearly 4,000. She said that plans to refashion a former psychiatric hospital into a new prison had fallen through after the Canadian government had pulled out of the project. Following the collapse of two schools in Haiti in October, the Canadians no longer believed the structure could hold the planned number of inmates. The Ministry of Justice then hit on the idea of building a new facility for 1,500 inmates on a large piece of land recently seized from a drug trafficker. That project would cost USD 6-8 million.

SANDERSON